

LEGISLATURE OF THE STATE OF IDAHO
Sixty-third Legislature Second Regular Session - 2016

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 408

BY ERPELDING

AN ACT

RELATING TO UNIVERSAL SERVICE FUND; REPEALING SECTION 62-610, IDAHO CODE, RELATING TO A UNIVERSAL SERVICE FUND; AMENDING SECTION 62-610A, IDAHO CODE, TO REVISE PURPOSE; AMENDING SECTION 62-610B, IDAHO CODE, TO REVISE DEFINITIONS; AMENDING SECTION 62-610C, IDAHO CODE, TO REVISE UNIVERSAL SERVICE PROVISIONS; AMENDING SECTION 62-610D, IDAHO CODE, TO REVISE ELIGIBLE COMMUNICATIONS CARRIERS; AMENDING SECTION 62-610E, IDAHO CODE, TO REVISE PROVISIONS REGARDING DESIGNATING SERVICE AND SUPPORT AREAS; AMENDING SECTION 62-610F, IDAHO CODE, TO REVISE PROVISIONS FOR HIGH-COST SUPPORT AND TO CAP THE AMOUNT OF THE SURCHARGE; AND PROVIDING AN EFFECTIVE DATE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 62-610, Idaho Code, be, and the same is hereby repealed.

SECTION 2. That Section 62-610A, Idaho Code, be, and the same is hereby amended to read as follows:

62-610A. PURPOSE. The purpose of this act is to authorize the Idaho public utilities commission to establish a competitively and technologically neutral funding mechanism which will operate in coordination with federal universal service support mechanisms. All consumers in this state, without regard to their location, should have comparable accessibility to basic ~~telecommunication~~ communication services, both voice and data, at just and reasonable rates.

SECTION 3. That Section 62-610B, Idaho Code, be, and the same is hereby amended to read as follows:

62-610B. DEFINITIONS. For purposes of ~~section 62-610, Idaho Code, and sections 62-610A through 62-610F, Idaho Code,~~ the following words and phrases shall have the following meanings:

(1) "Communications service" means the provision of cable service, video service, telecommunication service, broadband, or high-speed internet access service to the public, or any sector of the public, for a fee, regardless of the technology used to deliver the service. The terms "cable service," and "video service" have the same meanings as set forth in section 50-3002, Idaho Code. The term "telecommunication service" has the same meaning as set forth in section 62-603, Idaho Code.

(2) "Eligible telecommunications communications carrier" means a telecommunications carrier provider of communications service designated by the commission who has the obligation to provide universal service throughout the service area for which the designation is received.

(23) "Fund" means the Idaho ~~telecommunications~~ communications universal service fund established by the commission pursuant to sections 62-610A and 62-610F, Idaho Code.

(4) "High-speed internet access service" means internet access service with transmission speeds that are equal to or greater than the requirements for basic broadband tier 1 service as defined by the federal communications commission for broadband data gathering and reporting.

(35) "Service area" means a geographic area designated by the commission for the purpose of determining universal service obligations of eligible ~~telecommunications~~ communications carriers. In the case of a rural telephone company "service area" means the company's "study area(s)" as established by the federal communications commission and the public utilities commission.

(46) "Support area" means a geographic area designated by the commission as a high-cost area for which eligible ~~telecommunications~~ communications carrier(s) serving such area may receive financial assistance from the universal service fund. The commission shall consider population distribution, geographic factors, cost model capabilities and other relevant considerations in making such a determination.

(57) "Telecommunications carrier" means a telephone corporation providing telecommunication services for compensation within this state, and shall, for the purposes of sections 62-610A through 62-610F, Idaho Code, include municipal, cooperative or mutual telephone companies and telecommunications companies providing wireless, cellular, personal communications services and mobile radio services for compensation.

(68) "Universal service" means basic local exchange ~~service~~ and broadband or high-speed internet access services to the public and such other telecommunication communication services designated by the commission as services which should be widely available to consumers in all regions of the state at just and reasonable rates.

(79) All other terms, words or phrases shall have the meaning set forth in section 62-603, Idaho Code.

SECTION 4. That Section 62-610C, Idaho Code, be, and the same is hereby amended to read as follows:

62-610C. UNIVERSAL SERVICE. (1) Universal service is an evolving level of ~~telecommunication~~ communication services to which consumers in all regions of the state should have access.

(2) The commission shall review the level of ~~telecommunication~~ communication services within the state on a periodic basis and designate those service(s) which should be made available to consumers by eligible ~~telecommunications~~ communication service carriers to meet their obligation to provide universal service. The commission shall, if services in addition to basic local exchange service and broadband or high-speed internet access service are to be designated, consider the extent to which such other ~~telecommunication~~ communication services:

(a) Have, through the operation of market choices by customers, been subscribed to by a substantial majority of residential customers;

(b) Are being deployed in public ~~telecommunications~~ communications networks by ~~telecommunications~~ communications carriers; and

(c) Are consistent with the public interest, convenience and necessity.

(d) The commission shall also consider definitions of universal service adopted by the federal communications commission pursuant to the telecommunications act of 1996.

SECTION 5. That Section 62-610D, Idaho Code, be, and the same is hereby amended to read as follows:

62-610D. ELIGIBLE TELECOMMUNICATIONS COMMUNICATIONS CARRIERS. (1) Only a ~~telecommunications~~ communications carrier designated as an eligible ~~telecommunications~~ communications carrier by the commission shall be eligible to receive universal service fund support.

(2) The commission shall, ~~upon its own motion or~~ upon request, designate a ~~telecommunications~~ communications carrier that meets the requirements of subsection (3) of this section as an eligible ~~telecommunications~~ communications carrier for a service area designated by the commission. Upon request and consistent with the public interest, convenience and necessity, the commission may, ~~in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one~~ (1) ~~telecommunications~~ communications shall designate a communications carrier as an eligible ~~telecommunications~~ communications carrier for a service area designated by the commission, so long as the requesting ~~telecommunications~~ communications carrier meets the requirements set forth in this section and the commission finds that the designation is in the public interest. Before ~~designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the commission shall find that the designation is in the public interest.~~

(3) A ~~telecommunications~~ communications carrier requesting designation as an eligible ~~telecommunications~~ communications carrier shall, throughout the service area for which the designation is made:

(a) Offer the services which are within the definition of universal service adopted by the commission, using its own facilities or a combination of its own facilities and resale of another ~~telecommunications~~ communications carrier's services (including the services offered by another eligible ~~telecommunications~~ communications carrier); and

(b) Advertise the availability of such services and the charges therefor using media of general distribution.

(c) For the purpose of being eligible to receive support from the fund, the eligible telecommunications carrier shall also offer low-income telecommunication services pursuant to chapter 9, title 56, Idaho Code.

(4) The commission shall permit an eligible ~~telecommunications~~ communications carrier to relinquish its designation as such a carrier in any area served by more than one (1) eligible ~~telecommunications~~ communications carrier. An eligible ~~telecommunications~~ communications carrier that seeks to relinquish its eligible ~~telecommunications~~ communications carrier designation for an area served by more than one (1) eligible ~~telecommunications~~ communications carrier shall give no less than thirty (30) days notice to the commission of its intent to relinquish such designation. Prior to permitting a ~~telecommunications~~ communications carrier designated as an eligible ~~telecommunications~~ communications carrier

1 to cease providing universal service in an area served by more than one (1)
 2 eligible ~~telecommunications~~ communications carrier, the commission shall
 3 require the remaining eligible ~~telecommunications~~ communications carrier
 4 or carriers to ensure that all customers served by the relinquishing carrier
 5 will continue to be served.

6 SECTION 6. That Section 62-610E, Idaho Code, be, and the same is hereby
 7 amended to read as follows:

8 62-610E. DESIGNATING SERVICE AND SUPPORT AREAS. The commission shall
 9 designate geographic service areas for the purpose of determining uni-
 10 versal service obligations of eligible ~~telecommunications~~ communications
 11 carriers. The commission shall also designate geographic support areas
 12 for the purpose of determining areas for which financial assistance shall
 13 be made available from the fund to assist eligible ~~telecommunications~~
 14 communications carriers to meet universal service obligations.

15 SECTION 7. That Section 62-610F, Idaho Code, be, and the same is hereby
 16 amended to read as follows:

17 62-610F. HIGH-COST SUPPORT -- ADMINISTRATION -- TRANSITION. (1)
 18 The commission shall establish a universal service fund to enable eligi-
 19 ble ~~telecommunications~~ communications carriers to make universal service
 20 widely available to all persons within the state of Idaho at reasonable
 21 rates. Eligible ~~telecommunication~~ communication carriers receiving finan-
 22 cial support shall use that support only for the provision, maintenance and
 23 upgrading of services and facilities for which the support is intended.

24 (2) The commission shall initiate a proceeding to determine and adopt
 25 the appropriate methodology and mechanisms to collect and distribute fi-
 26 nancial assistance which are specific, predictable and sufficient in
 27 conjunction with federal universal service support mechanisms to preserve
 28 and advance universal service within the state of Idaho. Revenue for the
 29 fund shall be collected through a uniform universal service fund surcharge
 30 as calculated by the commission. The surcharge that shall not exceed the
 31 sum of twenty cents (20¢) per month shall be imposed on end users of all
 32 retail ~~telecommunication~~ communication services originating and termi-
 33 nating within the state of Idaho and collected by the ~~telecommunications~~
 34 communications carrier providing ~~telecommunication~~ communication services
 35 to such end user. Disbursements from the fund shall be used to defray the
 36 costs, as determined by the commission, of providing universal service to
 37 customers within a geographic support area. Those costs shall be calculated
 38 using a forward-looking cost methodology. When providing disbursements
 39 from the fund, the commission shall take such actions as may be necessary to
 40 prevent redundant cost recovery by recipients of such funds ~~including the~~
 41 ~~reduction of access charges subject to title 61 or 62, Idaho Code.~~

42 (3) The commission shall establish procedures to administer the uni-
 43 versal service fund and shall contract with a neutral third party for ad-
 44 ministration of the fund. The administrator shall perform the duties re-
 45 quired by the commission including data gathering, collecting the surcharge
 46 revenues, disbursing funds, and notifying the commission of any fund viola-
 47 tions.

1 (4) The commission shall develop procedures and provide for a transi-
2 tion period to ~~begin no earlier than January 1, 2001~~ be completed no later
3 than January 1, 2018, for rural telephone companies to replace funding
4 available pursuant to section 62-610, Idaho Code, with the funding mechanism
5 established pursuant to this section for the support of universal service if
6 such funding is determined to be necessary.

7 SECTION 8. Section 1 of this act shall be in full force and effect on and
8 after January 1, 2018.